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August 6, 2020

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Via Email

Mr. Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Advantage Healthcare, Ltd. (Proj. 20-021)

Dear Mr. Constantino:

This office represents Advantage Healthcare, Ltd (“Advantage”). In that capacity, we are responding to the Illinois Health Facilities and Services Review Board request for additional information regarding the additional of surgical specialties at Advantage (the “Project”).

1. Advantage Healthcare, Ltd. is a corporation and I cannot find the stock ownership in the application for permit. We will need the individuals or entities who own more that 5% of the stock.

A: Acclaim Health Center, Ltd. and Amucare Health Care, Ltd. are the owners of Advantage Healthcare, Ltd. Acclaim Health Center, Ltd. owns 80% of the shares of Advantage Healthcare, Ltd. and Amucare Health Care, Ltd. owns 20% of the shares of Advantage Healthcare, Ltd. See Attachment – 1.

2. Please provide a table with the 5-highest volume procedures to be performed at this surgery center.

	# of Procedures	Procedure Code	Description	ASTC Fee	HOPD Fee
1	619	59840	D&C	\$3,975	N/A
2	15	55250	Vasectomy	\$3,975	N/A

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	# of Procedures	Procedure Code	Description	ASTC Fee	HOPD Fee
3	50	64493	Lumbar Single Joint injection	\$528	\$812
4	50	37243	Uterine fibroid embolization	\$7,540	\$9,908
5	20	30410	Rhinoplasty	\$3,575	\$4,850

3. The ASC has not provided any Medicaid service in the CY years 2014-2018. Please explain whether Dr. Chopra and Dr. Martin continuously accepts new Medicaid patients, has a quota on the number of Medicaid patients in his/her practice at a given time or does not see any Medicaid patients.

A: Advantage become Medicare and Medicaid certified in November 2019 and has been billing Medicaid since then. In 2019, Advantage treated 54 Medicaid patients and in 2020, to date 229 Medicaid patients have been treated to date.

Drs. Chopra and Martin intend accept Medicaid and will refer Medicaid patients to Advantage.

4. The ASC profile states that charity care was provided at the facility. Is this charity care reported as bad debt to the Internal Revenue Service by the ASC?

No. Charity care reported on the ASC profile related to free care provided to patients. While Advantage was not Medicaid certified prior to 2019, it provided free care to Medicaid patients, which was reported on the ASC profile as charity care.

5. Please provide an itemization of the consulting and other fees of \$175,000.

A: Consulting and Other Fees

Application Fee	\$2,500
Legal Fees	\$30,000
Consulting Fees	\$40,000
Miscellaneous Costs	\$102,500



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6. Please complete the table below.

Lease	\$960,774.00
Effective Date	April 2, 2020
Premises (sq. footage)	3,850 GSF
Owner	Arizona IL, LP
Tenant	Advantage Health Care, Ltd.
Rent per Month	\$8,661.00
Additional Costs	N/A
Rent Increase (Annual Increase %)	N/A
Initial Term	15 Years
Option Years	30 Year

7. Please provide the calculation of FMV of the lease space.

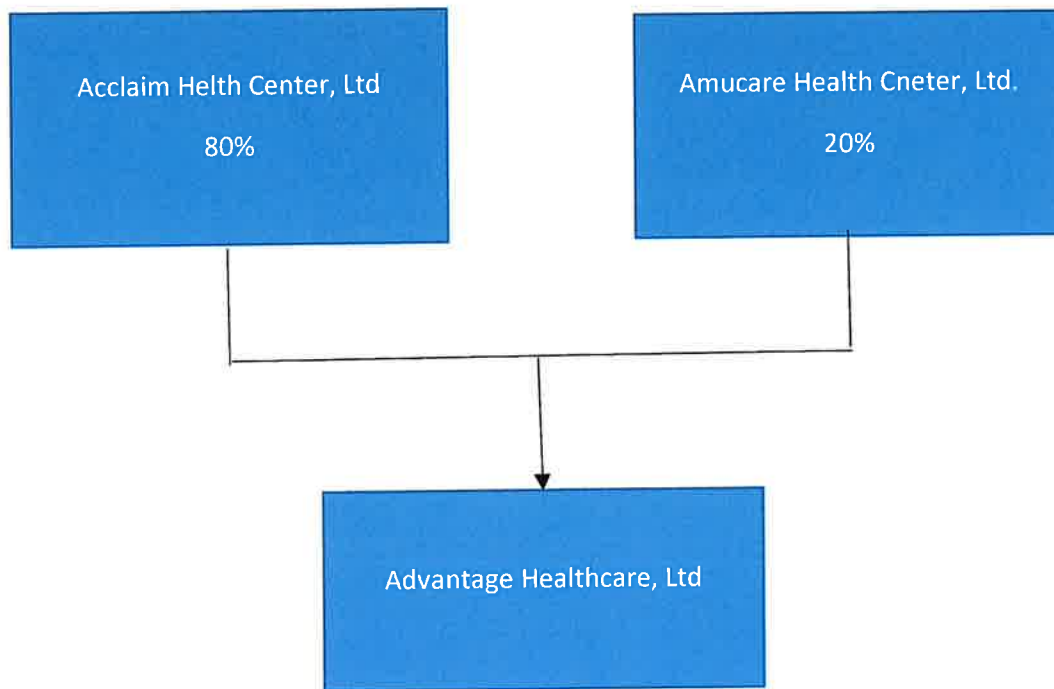
A: Attached at Attachment – 2 is the lease capitalization for Advantage Healthcare, Ltd.

Sincerely,

A handwritten signature in blue ink that reads "Anne M. Cooper".

Anne M. Cooper

Attachments



Advantage Healthcare Lease Capitalization
Present Value of Lease

Base Rent 103,933
Term 12
Discount Rate 8%

	Annual Rent	Discount Factor	Present Value of Rent
2020	\$103,933	1.0000	\$103,932.58
2021	\$103,933	0.9259	\$96,231.18
2022	\$103,933	0.8573	\$89,101.40
2023	\$103,933	0.7938	\$82,501.68
2024	\$103,933	0.7350	\$76,390.45
2025	\$103,933	0.6806	\$70,736.51
2026	\$103,933	0.6302	\$65,498.31
2027	\$103,933	0.5835	\$60,644.66
2028	\$103,933	0.5403	\$56,154.77
2029	\$103,933	0.5002	\$51,987.08
2030	\$103,933	0.4632	\$48,141.57
2031	\$103,933	0.4289	\$44,576.68
2032	\$103,933	0.3971	\$41,271.63
2033	\$103,933	0.3677	\$38,216.01
2034	\$103,933	0.3405	\$35,389.04
FMV of Lease			\$960,773.56